



Date: October 7, 2013

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page, Deputy City Manager

From: David Boyd, Finance Director
Lynette McRae, Purchasing Supervisor
Marvin Williams, Public Works Director

Subject: Co-Op Contract Purchase – Two (2) Motor Graders

Executive Summary

The contract under consideration will furnish/provide the City with two (2) Motor Graders.

Caterpillar, Inc. has agreed to furnish the City with two (2) Motor Graders per the same pricing and conditions as in the existing National IPA contract #120377. Gregory Poole Equipment Company is the local regional distributor that will be fulfilling the contract on behalf of Caterpillar, Inc. The total cost of the contract is \$467,538.00. Funding for this contract is available from the CIP Fleet Replacement Funds (30620128-732300-S3001). All bids received were competitive and within budget.

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Gregory Poole Equipment Company of Raleigh, North Carolina and determined they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting. There were no SDBEs to provide this product.

Recommendation

That the bid for the purchase of two (2) Motor Graders in the amount of \$467,538.00 from Gregory Poole Equipment Company be approved and the City Manager be authorized to execute all relevant contracts; and,

That the City Manager be authorized to modify the contract before execution provided that modifications do not increase the dollar amount of the contract and are consistent with the general intent of the existing version of the contract.

Background

In May 2012, the National Intergovernmental Purchasing Alliance (National IPA) awarded a contract for Heavy Construction Equipment. National IPA is a co-operative purchasing program that assists other local governments by establishing competitively priced contracts for goods and services on a national level, leveraging quantities to achieve excellent pricing. The City of Durham is a participating member of the program and it is open to all units of local government, including non-profits.

The Fleet Management Department proposes to purchase two (2) Motor Graders from the National Intergovernmental Purchasing Alliance (National IPA) contract for the Public Works Department.

Making purchases from contracts made through a competitive bidding group-purchasing program is referred to as a “co-op contract exception”. North Carolina General Statute 143-129(e)(3) allows an exception to the bidding process when making a purchase from a co-operative purchasing program. The exception reads as follows:

The bidding process is waived for purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies.

Caterpillar, Inc. has agreed to furnish the City with two (2) Motor Graders per the same pricing and conditions as in the existing National IPA contract #120377. Gregory Poole Equipment Company is the local regional distributor that will be fulfilling the contract on behalf of Caterpillar, Inc.

Issues/Analysis

The Public Works Department is replacing two (2) of its older Motor Graders (a 1982 model and a 1997 model). While the department was performing its due diligence, it was determined that the Caterpillar 120M2 LR met all of the needed operational requirements as a suitable replacement for the existing machines.

Below are two different contracts for furnishing two (2) Motor Graders:

COMPANY	BID
Gregory Poole Equipment Co. (National IPA Contract) Raleigh, NC	*\$233,769.00 each \$467,538.00 total
Gregory Poole Equipment Co. (NC State Contract) Raleigh, NC	\$238,453.00 each \$476,906.00 total

*Recommended Bid

Alternatives

There are other brand alternatives available; however, the City has an excellent track record (performance, reliability, parts availability, dealer support, re-sale, etc.) with the Caterpillar brand of construction equipment and the administration feels the Caterpillar 120M2 LR would be the most cost-effective machine over the life-cycle.

Financial Impact

The total cost of the contract is \$467,538.00. Funding for this contract is available from the CIP Fleet Replacement Funds (30620128-732300-S3001).

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Gregory Poole Equipment Company of Raleigh, North Carolina and determined they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBEs to provide this product.

WORKFORCE STATISTICS

The workforce statistics are as follows:

Total Workforce	379	100%
Total Females	63	17%
Total Males	316	83%
Black Males	22	6%
White Males	282	74%
Other Males	12	3%
Black Females	5	2%
White Females	55	14%
Other Females	3	1%